

also, I will insert into the RECORD an article from the New York Times regarding the plight of asparagus growers as a result of this Act.

[From the Seattle Times, Jan. 2, 2007]

NEW HOPE FOR ASPARAGUS GROWERS

Washington asparagus growers might get a break in the new Democrat-controlled Congress.

They sure need it.

The industry has been decimated by a U.S. drug policy designed to encourage Peruvian coca-leaf growers to switch to asparagus. Passed in 1990 and since renewed, the Andean Trade Preferences and Drugs Eradication Act permits certain products from Peru and Colombia, including asparagus, to be imported to the United States tariff-free.

The act was set to expire Dec. 31, but Congress approved a six-month extension to make time to negotiate a proposed free-trade agreement.

We believe world markets should be more open and barriers to trade should be lowered. But this trade preferences act, when it comes to asparagus, is a one-sided deal that does only harm to the U.S. industry while failing miserably at its stated intent of reducing drug production.

The White House Office of National Drug Control Policy Web site currently notes that the Peruvian coca acreage, mostly in the highlands, is the highest it has been in eight years.

Meanwhile, the small country has become a powerhouse in asparagus production along its Pacific Coast lowlands. Peruvian asparagus production has multiplied 18-fold. The industry has developed a vigorous market and attracted sizable capital investment.

Meanwhile, the Washington industry is a shadow of its former self. Acreage has been cut by 71 percent to just 9,000 acres. In 2005, Seneca closed the world's largest cannery in Dayton, Columbia County, and shipped its state-of-the-art equipment to—no surprise—Peru. So did Del Monte, when it closed its Toppenish plant.

Is it any wonder the U.S. asparagus industry hopes the preferences act will be allowed to lapse in June?

That's not to say the Washington Asparagus Commission has its head in the sand over the global economy. In particular, the commission is willing to support a proposed free-trade agreement with provisions common to other free-trade agreements.

The industry wants the tariff re-imposed on Peruvian asparagus but only during the U.S. growing season—roughly April through June in Washington—and then phased out over a period of years. The tariff on U.S. production would diminish also.

That would be a long, overdue solution for an industry decimated by a drug-reduction policy that failed miserably.

[From the New York Times, Apr. 25, 2004]

WAR ON PERUVIAN DRUGS TAKES A VICTIM:

U.S. ASPARAGUS

(By Timothy Egan)

After 55 years of packing Eastern Washington asparagus, the Del Monte Foods factory here moved operations to Peru last year, eliminating 365 jobs. The company said it could get asparagus cheaper and year-round there.

As the global economy churns, nearly every sector has a story about American jobs landing on cheaper shores. But what happened to the American asparagus industry is rare, the farmers here say, because it became a casualty of the government's war on drugs.

To reduce the flow of cocaine into this country by encouraging farmers in Peru to grow food instead of coca, the United States

in the early 1990's started to subsidize a year-round Peruvian asparagus industry, and since then American processing plants have closed and hundreds of farmers have gone out of business.

One result is that Americans are eating more asparagus, because it is available fresh at all times. But the growth has been in Peruvian asparagus supported by American taxpayers.

"We've created this booming asparagus industry in Peru, resulting in the demise of a century-old industry in America," said Alan Schreiber, director of the Washington Asparagus Commission. "And I've yet to hear anyone from the government tell me with a straight face that it has reduced the amount of cocaine coming into this country."

Government officials respond that it was never their intent to hobble an American industry. But they say a thriving asparagus industry in Peru stabilizes the country and provides an incentive to grow something other than coca leaves, the raw material of a drug used regularly by about 2.8 million Americans.

"Apologies to the people affected," said David Murray, special assistant for the White House's drug policy office, "but the idea of creating alternative development, countrywide, does serve our purposes." Mr. Murray said that net cultivation of coca leaf in Peru had fallen considerably, but that it was unclear how much of a role the alternative crop incentives had played.

Here in Washington, the nation's second-leading asparagus producer, after California, about 17,000 acres have been plowed under since a 1991 trade act prompted a flood of less-expensive Peruvian asparagus, a 55 percent decline in acreage.

During the same period, Peruvian asparagus exports to the United States have grown to 110 million pounds from 4 million pounds.

Two of the biggest asparagus processing factories in the United States have closed. The Del Monte plant in Toppenish is still packing other vegetables, but it buys and packs its asparagus in Peru. The other factory was in Walla Walla.

Peruvian asparagus is sold without tariffs under terms of the Andean Trade Preference Act, signed in 1991 and renewed in 2002. The United States also spends about \$60 million a year in Peru to help farmers grow and develop their industry for asparagus and other crops seen as alternatives to coca.

Many American farmers still compete, saying they offer a better-tasting and fresher product. But others have abandoned the crop.

When the American factories closed, Washington farmers were left without a buyer for millions of pounds of asparagus. Among them was Ed McKay, who has given up on asparagus, a crop that takes three to five years to mature, and then grows perennially. After growing it for 50 years and employing more than 100 people at the height of the season, he turned over his 225 acres in central Washington near Othello last year, and now plants some in corn and wheat, and lets other land go fallow.

"We're a victim of the drug war," said Mr. McKay, 73. "It seems like we still got plenty of cocaine coming into this country, but now we got cheap asparagus as well."

Acreage devoted to asparagus has dropped by a third in California, and the crop has nearly disappeared from the Imperial Valley, once a huge source of asparagus. Growers blame imports from Peru, but also cheaper asparagus from Mexico, which benefits from the North American Free Trade Agreement.

In Michigan, the value of the industry has fallen by 35 percent since the Andean trade agreement. Michigan and Washington have

been hit the hardest because they lead the nation in production of canned or frozen asparagus, a segment that has been in particular decline with the year-round Peruvian crop.

"The irony is that they didn't plow under the coke to plant asparagus in Peru," said John Bakker, executive director of the Michigan Asparagus Advisory Board. "If you look at that industry in Peru and where it's growing, it has nothing to do with coca leaf growers becoming normal farmers. Coca leaf is grown in the highlands. The asparagus is near sea level."

In a letter to the State Department in March, Peru's government said the asparagus industry employed 50,000 people and 40 percent came from coca-producing regions.

"It is important to understand that the war against drugs is another face of the battle against terrorism, and will be successful only if new legal jobs are created as an alternative to illegal activities," the Peruvian Asparagus and Other Vegetables Institute said in the letter.

Yet United States auditors, in a 2001 report to Congress, said the Foreign Agricultural Service "does not believe that Peruvian asparagus production provides an alternative economic opportunity for coca producers and workers—the stated purpose of the act."

Mr. Schreiber, of the Washington asparagus board, said he had made two trips to Peru and doubted many coca growers had turned to asparagus.

"I don't fault the Peruvians," Mr. Schreiber said. "We're in this situation because of what our government has done to us. They say it's a national security issue. Well, the cost of it has been borne on the back of the American asparagus grower."

The 2001 report by the General Accounting Office, the auditing arm of Congress, found that the value of the asparagus processing industry in the United States had fallen by nearly 30 percent, which it attributed to Peruvian imports. The industry was valued at \$217 million in 2000.

Asparagus is labor intensive, and some industry experts have said Washington's high minimum wage of \$7.16 an hour has contributed to the industry's decline. But Mr. McKay, the farmer, said he was able to pay high wages and even give workers housing, and still make a profit before Peruvian asparagus was given trade preference.

Mr. Bakker of the Michigan asparagus board said about 300 farmers in his state had lost a total of about \$25 million because of the cheaper Peruvian imports. The government has bought some Michigan asparagus, but farmers there and in Washington say money that is supposed to be available to industries hurt by free trade pacts is difficult to get, because of a formula that takes prices rather than job losses into account.

"Our industry will disappear before we qualify for any trade assistance money," Mr. Bakker said. "And it's not like Michigan farmers are against the war on drugs. There are certainly social benefits from trying to curb cocaine production, but why should one industry take it on the chin for it?"

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 2 minutes to a colleague on the Ways and Means Committee, a distinguished colleague, indeed, Mr. KIND from Wisconsin.

Mr. KIND. Mr. Speaker, I thank my friend from Michigan for yielding me this time.

I rise, as a member of the Ways and Means Committee, in strong support of this 8-month extension of the Andean Trade Preference Act. It is the right thing to do at the right time, Mr. Speaker.